

Request for Proposal for Group Dental Insurance
Recommendation for Award of Contract

January 24, 2022

Background:

- *August – September, 2021:* Development of the RFP scope of work, evaluation criteria, and minimum requirements. In addition to quoting on the current plan designs for the Dental Health Maintenance Organization (DHMO) plan and the Dental Preferred Provider Organization (DPPO) plan, bidders had the option of submitting quotes for alternative plan designs for either the DPPO, the DHMO or both plans.
- *September 14, 2021:* Released RFP.
- *September – October, 2021:* Received six intent-to-bids and five bids – Atlantic Southern Dental Foundation dba BeneCare Dental Plans (“BeneCare”), Delta Dental (incumbent for the DPPO), Dominion National (incumbent for the DHMO), MetLife and United Concordia Dental. Of the five bids, three included quotes on the current DHMO plan design and/or proposed alternatives to the current DHMO plan: BeneCare, Dominion National and United Concordia. All five bidders included quotes on the DPPO plan design and also proposed alternatives to the current DPPO plan.
- *October – mid-November, 2021:* The Statewide Benefits Office (SBO) and Willis Towers Watson (WTW) reviewed the proposals and sent follow-up questions as necessary.
- *November 15, 2021:* The Proposal Review Committee (PRC) met via webinar to review relevant historical context, consider the analysis of the bid responses and WTW’s report on reference checks. Finalist interviews were conducted with all five bidders, also via webinar, and bidders presented their qualifications and overall capabilities. Afterward, WTW issued additional follow-up questions to the bidders and continued reference checks.
- *November 30, 2021:* The PRC reconvened via webinar to review and discuss answers to follow-up questions raised during the prior meeting on November 15. Afterward, WTW issued additional follow-up questions to the bidders and continued reference checks. Best and final offers from the bidders were also requested.

- *December 6, 2021:* The PRC reconvened via webinar to review and discuss additional information received from the bidders, including best and final offers. Instructions for the PRC to score each bidder were also reviewed. Following this meeting, PRC members were asked to complete their scoresheets for each bidder in accordance with the RFP requirements and were submitted electronically via email to the SBO for compilation.
- *January 10, 2022:* The PRC reconvened via webinar to review and discuss the results of the compiled scoresheets and reach a consensus on the scores. The PRC voted affirmatively on the following recommendations:
 - **DHMO:**
 - Of a total of 125 points, the scores by bidder were as follows: United Concordia Dental scored 90.3, Dominion National scored 89.1, and BeneCare scored 72.3.
 - The PRC discussed the potential limitations to awarding the DHMO to the highest ranked bidder in light of the bidder’s requirements for other plan options offered alongside the DHMO, which the PRC believed did not align with the best interests of plan participants.
 - With respect to the second highest ranked bidder, the PRC was in agreement that the option to match the current DHMO design was preferable to Dominion National’s proposed DHMO alternative plan option, which would reduce orthodontia coverage for children and adults and could create disruption since the alternative DHMO uses a different provider network.
 - The PRC also considered concerns related to the continued decline in enrollment in the DHMO plan, which may be driven by a variety of factors including a decline in the number of participating dental providers, most notably in Sussex County, the desire among some plan participants to pay for dental services entirely out-of-pocket or using a flexible spending account in lieu of paying dental insurance premiums, and the availability of other dental coverage for plan participants through a spouse. Further, shifts in employment as a result of the ongoing COVID-19 pandemic may also influence the availability of other dental coverage through a plan participant’s spouse. The PRC

recognized that these and other factors influencing participants' enrollment in the DHMO are difficult to quantify and may not be possible to measure.

- The PRC agreed that if the State Employee Benefits Committee (SEBC) wishes to continue offering a DHMO plan, then based on all of the above factors and the bidders' DHMO proposals, Dominion National may be the strongest candidate for offering a DHMO benefit that matches the current DHMO plan.

▪ **DPPO:**

- Of a total of 125 points, the scores by bidder were as follows: Delta Dental scored 93.4, United Concordia Dental scored 87.3, Dominion National scored 82.5, MetLife scored 77.8, and BeneCare scored 76.0.
- Bidders were asked to articulate the conditions in which they would be willing to allow their proposed DPPO plan option(s) to be offered as the sole DPPO dental insurance carrier or alongside another DPPO dental insurance carrier, which the PRC considered in determining its recommendations.
- Upon review of the proposed DPPO plan options, while the PRC saw merit in the alternatives proposed by bidders, the PRC agreed that none of the allowable single or multiple carrier options provided a solution that simultaneously addressed concerns about member cost sharing (for both premiums and cost at the point of service), provider access and disruption in a manner that was preferable to continuing the current DPPO plan design with the incumbent. While the PRC considered an option of offering two DPPO plans, this was not recommended because the carrier options did not provide meaningful difference in coverage. Delta Dental agreed to lower current premiums by 3.5% and implement a network provider recruitment guarantee to bolster the robustness of its provider network in Sussex County. While other bidders proposed lower premiums and/or similar provider recruitment guarantees, the PRC agreed that those elements were not sufficient to warrant the potential limitations in provider access and/or disruption that could result in adopting those proposals.

- The PRC also discussed whether to retain the Assignment of Benefits (AOB) provision in the future DPPO contract, which would allow non-participating dentists to receive AOB for covered services if a signed attestation from a State plan participant is submitted with any claims for covered services. After considering the historical impact of this provision on DPPO network provider participation along with the potential impact on plan participant satisfaction, the PRC was in support of retaining this provision in the future DPPO contract with continued monitoring of the impact on the network.
 - Based on the above, the PRC recommends awarding Delta Dental a contract to administer a DPPO plan based on the current DPPO plan design. The PRC also recommends retaining the Assignment of Benefits provision in the DPPO contract, with ongoing monitoring of the impact on provider participation in the DPPO network.
- As such the PRC recommends the following:

Recommendation

RESOLVED that with respect to the award of a contract pursuant to the Request for Proposal for Group Dental Insurance, the Proposal Review Committee recommends to the State Employee Benefits Committee as follows:

- If the State Employee Benefits Committee wishes to continue offering a DHMO plan, then the PRC recommends a contract award of the DHMO plan matching the current plan design to Dominion National for an initial three-year term effective July 1, 2022 through June 30, 2025, with two optional one-year period extensions. Such award shall be subject to approval of the Department of Technology and Information and Department of Insurance and a finalized contract which shall include performance guarantees.
- Contract award of the DPPO plan matching the current plan design to Delta Dental for an initial three-year term effective July 1, 2022 through June 30, 2025, with two optional one-year period extensions. Such award shall be subject to approval of the Department of Technology and Information and Department of Insurance and a finalized contract which shall include performance guarantees and an Assignment of Benefits provision.